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AMENDMENTS TO THE ASIA WATER SHARE OPTION SCHEME 2012 ADOPTED BY THE SHAREHOLDERS OF SIIC ENVIRONMENTAL HOLDINGS LTD. AT THE EXTRAORDINARY GENERAL MEETING HELD ON 27 APRIL 2012 (THE “ESOS 2012”)

The Board of Directors (the “**Board**”) of SIIC Environment Holdings Ltd. (the “**Company**”) refers to the Company’s announcements dated 22 December 2017, 4 January 2018 and 2 March 2018 (the “**Announcements**”) and the circular to shareholders dated 5 January 2018 (the “**Circular**”) in relation to the proposed dual primary listing of its ordinary shares (the “**Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**HKEX**”) (the “**Proposed Listing**”).

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcements.

The Board wishes to announce that, for the purpose of the Proposed Listing, the Company has amended the ESOS 2012 to take into account the Proposed Listing and to ensure compliance with the listing rules of the HKEX (the “**Amendments**”). The Amendments will take effect only upon the Proposed Listing having taken place on the Listing Date.

The Amendments have been made to Rules 5.2 and 5.3 of the Rules of the ESOS 2012. The relevant rules are extracted as follows, with the Amendments underlined:

5.1 Further, so long as the Company remains a subsidiary of SIHL or the Shares of the Company remain listed on the HKEX:

- (i) the total number of New Shares which may be issued upon exercise of all Options to be granted under the ESOS 2012 and any other share-based incentive schemes (but excluding the Asia Water Share Award Scheme) must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the ESOS 2012 by the Company. Options lapsed in accordance with the terms of the ESOS 2012 will not be factored in for the purpose of calculating the 10% limit; however
- (ii) notwithstanding (i) above, but subject to Rule 5.1, SIHL may seek the approval of the SIHL Shareholders in general meeting to refresh the 10% limit. However, the total number of Shares which may be issued upon exercise of all Options, together with the Shares issued and to be issued under other share-based incentive schemes (but excluding the Asia Water Share Award Scheme), under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshing of the limit. Options previously granted under the ESOS 2012 (including those outstanding, cancelled, lapsed in accordance with the ESOS 2012 or exercised Options) will not be counted for the purpose of calculating the limit as refreshed; and
- (iii) SIHL may seek separate approval by its shareholders in general meeting for granting Options beyond the 10% limit provided the Options in excess of the limit are granted only to Participants specifically identified by SIHL before such approval is sought; provided always that

- (iv) the limit on the number of New Shares which may be issued upon exercise of all outstanding Options granted, but yet to be exercised under the ESOS 2012 and any other share-based incentive schemes must not exceed 30% of the Shares in issue from time to time. No Options may be granted under the ESOS 2012 if this will result in the 30% limit being exceeded.

5.2 In addition, so long as the Company remains a subsidiary of SIHL or the Shares of the Company remain listed on the HKEX:

- (i) the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options), together with the Shares issued and to be issued to such Participant under other share-based incentive schemes, in any 12-month period, must not exceed 1% of the total Shares in issue. Where any further grant of Options to a Participant would result in the Shares issued, and to be issued upon exercise of all Options granted and to be granted, to such Participant (including exercised, cancelled and outstanding Options), when aggregated with the Shares issued and to be issued to such Participant under any other share-based incentive schemes, in the 12-month period up to and including the date of such further grant, represents in aggregate over 1% of the total Shares in issue, such further grant must be separately approved by the SIHL Shareholders in general meeting, and such Participant and his associates (as defined in the HKEX Listing Rules) shall abstain from voting at such general meeting on any resolution relating to such grant;
- (ii) each grant of Options to a SIHL Director, SIHL Chief Executive or SIHL Substantial Shareholder, or any of their respective HKEX Associates, under the ESOS 2012 must be approved by independent non-executive directors of SIHL (excluding independent non-executive director who is the grantee of the Options); and
- (iii) where any grant of Options to a SIHL Substantial Shareholder or an independent non-executive director of SIHL, or any of their respective HKEX Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding), together with Shares issued and to be issued under other share-based incentive schemes, to such person in the 12-month period up to and including the Date of Offer (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) (in the event the Shares are listed on the HKEX), having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of Options must be approved by the SIHL Shareholders.

The Amendments are made in accordance with Rule 13.2 of the ESOS 2012, which states that save for the prior approval the SGX-ST, the committee in respect of the ESOS 2012 may at any time by resolution and without other formality amend or alter the ESOS 2012 in any way to the extent necessary to cause the ESOS 2012 to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body. The Amendments do not relate to matters set out in Rules 844 to 849 and Rules 853 to 854 of the Listing Rules, and therefore do not require shareholder's approval as set out in Rule 851 of The Listing Rules.

The Company sought approval from the SGX-ST on 10 January 2018 and the SGX-ST had on 12 January 2018 informed the Company that it had no objection to the Amendments.

The Company will provide further updates to Shareholders on the above matters as well as details as to the arrangements of the Batch-Transfers as and when appropriate.

As the Proposed Listing is subject to, inter alia, the approval of the HKEX and other relevant authorities, the Proposed Listing may or may not occur. There is no assurance that approval of the HKEX and other relevant authorities for the Proposed Listing and the listing of, and permission to deal in, the Shares on the Main Board of the HKEX will be granted. The information relating to the Proposed Listing in this announcement is also subject to change. The Company will make announcements as necessary to keep Shareholders updated on any material developments.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or a solicitation of any offer to buy securities by the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities. This announcement must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended.

Shareholders and other investors are advised to exercise caution when trading in the Shares. In the event that the Shareholders and other investors are in doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Feng Jun
Executive Director
7 March 2018